

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 03482 231501Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SS-15 SP-02 L-03 NSC-05
PA-01 CIAE-00 COME-00 INR-10 LAB-04 NSAE-00
SIL-01 TRSE-00 /062 W
-----000081 231525Z /53
P 231448Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 5065

LIMITED OFFICIAL USE BRUSSELS 03482

E.O. 11652: N/A
TAGS: EIND, ETRD, BDIS, BE
SUBJECT: FMC SODA ASH CASE

REF: (A) STATE 32579; (B) BRUSSELS 2580;
(C) BRUSSELS 1045

1. ON FEBRAURY 22, AMBASSADOR ACCOMPANIED BY ECOM
COUNSELOR CALLED ON MINISTER FOR ECONOMIC AFFAIRS
WILLY CLAES TO MAKE A DEMARCHE AS INSTRUCTED REFTEL (A)
PROTESTING BELGIAN GOVERNMENT INTERFERENCE IN THE
CONTRACTUAL DISPUTE BETWEEN FMC, SOLVAY AND MAJOR BELGIAN
GLASS MAKERS. MINISTER CLAES GAVE A SHORT RESUME OF THE
DOSSIER AS HE UNDERSTOOD IT, BUT ADMITTED HE WAS NOT
FULLY BRIEFED. HE PROMISED TO LOOK INTO THE MATTER
FURTHER AND, HOPEFULLY, WITHIN A WEEK PROVIDE THE
AMBASSADOR WITH A PAPER OUTLINING THE PRECISE ROLE HIS
CABINET ASSISTANTS HAD PLAYED IN THEIR ATTEMPT TO
MEDIATE THE DISPUTE. INSOFAR AS THE SPECIFIC ALLEGATION
THAT THERE HAD BEEN INAPPROPRIATE INTERFERENCE BY THE GOB,
CLAES SAID THAT, SUBJECT TO HIS FURTHER CONFIRMATION, HE
BELIEVED HIS ASSOCIATES HAD DONE NOTHING MORE THAN
EXAMINE THE POSSIBILITY THAT THE GLASSMAKERS COULD
LEGALLY WITHDRAW FROM ANY COMMITMENTS MADE TO FMC UNDER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 03482 231501Z

THE LETTER OF INTENT. IT WAS A MATTER OF MEDIATION
RATHER THAN A GOVERNMENTAL ATTEMPT TO UNDULY INFLUENCE
OR PRESSURE A PRIVATE PARTY CONCERNED.

2. CLAES ADMITTED THAT HE WAS INTERESTED IN PREVENTING
AN ALREADY BAD UNEMPLOYMENT SITUATION IN THE CHARLEROI
AREA FROM GETTING WORSE. HE ALSO ACKNOWLEDGED HIS DESIRE

TO DO SOMETHING TO HELP SOLVAY AS A BELGIAN FIRM TO MAINTAIN ITS OPERATIONS. HE CONFIDED HOWEVER HE HAD LITTLE SYMPATHY WITH SOLVAY FOR CHARGING A CONSIDERABLY HIGHER PRICE FOR ITS SODA ASH IN BELGIUM AS COMPARED TO FRANCE, NETHERLANDS OR OTHER EUROPEAN COUNTRIES.
LIMITED OFFICIAL USE

3. THE AMBASSADOR EXPRESSED HER UNDERSTANDING OF THE PRIORITY CONCERN THAT THE GOB HAS TO PRESERVE EMPLOYMENT AND BUSINESS ACTIVITY IN DIFFICULT ECONOMIC TIMES. IN THIS REGARD SHE MADE A PERSONAL SUGGESTION THAT A COMPROMISE SOLUTION TO THE DISPUTE WHICH SATISFIED THE COMMERCIAL GOALS OF FMC AND THE GLASSMAKERS, WHILE ALLOWING SOLVAY TIME TO ABSORB REDUNDANT SODA PLANT WORKERS INTO ITS OWN OPERATIONS ELSEWHERE, MIGHT BE A REASONABLE APPROACH. CLAES READILY AGREED, NOTING THAT HE HAD HEARD FROM FOREIGN MINISTER SIMONET ON THE SODA ASH SITUATION. CLAES SAID HE WAS PERSONALLY CONVINCED AS WELL THAT BELGIUM'S INTERESTS AS AN EXPORTING NATION WERE BEST SERVED BY MAINTAINING AN INTERNATIONAL BUSINESS CLIMATE THAT ENCOURAGED TRADE AND INVESTMENT. IT WAS AGREED THE EMBASSY AND THE MINISTER'S CABINET WOULD KEEP IN TOUCH ON THE MATTER.

4. AMBASSADOR LEFT WITH MINISTER CLAES A COPY OF A TALKING POINTS PAPER WHICH ELABORATED ON A POSSIBLE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 03482 231501Z

COMPROMISE SOLUTION ACCEPTABLE TO ALL PARTIES. FOLLOWING OUR PRIOR DISCUSSION WITH FMC REPRESENTATIVES, SPECIFIC MENTION WAS MADE OF EITHER PROLONGATION OF THE DELIVERY SCHEDULE BEYOND THE PRESENT FIVE YEAR PERIOD OR, ALTERNATIVELY, A "GRACE PERIOD" OF A YEAR OR TWO BEFORE DELIVERIES OF FMC SODA ASH BEGIN. FYI. FORMER AMBASSADOR DOUGLAS MACARTHUR HAS AN APPOINTMENT ON MARCH 14 TO SEE PRIME MINISTER TINDEMANS WHO HE EXPECTS TO APPROACH ON THE SUBJECTS OF TRADE PROTECTIONISM, INVESTMENT CLIMATE, ETC., AS BOTH A LONG RESIDENT PRIVATE CITIZEN OF BELGIUM AND CONSULTANT TO FMC. SUBSEQUENTLY, AMBASSADOR MACARTHUR WILL VISIT WASHINGTON FOR DISCUSSIONS WITH ADMINISTRATION OFFICIALS AND MEMBERS OF CONGRESS. END FYI. CHAMBERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERVENTION, GLASS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE03482
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780084-0328
Format: TEL
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780224/aaaaatze.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e46c9ed1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 32579, 78 BRUSSELS 2580, 78 BRUSSELS 1045
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3510879
Secure: OPEN
Status: NATIVE
Subject: FMC SODA ASH CASE
TAGS: EIND, ETRD, BDIS, BE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e46c9ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014